

## REPORT SUMMARY

### **Department of Military Affairs**

This is our financial-compliance audit of the Department of Military Affairs (department) for the two fiscal years ended June 30, 2008. Included in this audit report are eight recommendations related to internal controls and state and federal compliance. The previous audit report contained six recommendations; the department implemented five and did not implement one recommendation.

We issued an unqualified opinion on the financial schedules presented in this report. This means the reader can rely on the presented financial information and the supporting detailed information on the primary accounting records

The listing below serves as a means of summarizing the recommendations contained in the report, the department's response thereto, and a reference to the supporting comments.

#### **Recommendation #1**

We recommend the department follow established controls to ensure all Homeland Security costs are allowable. ....7

Department response: Concur ..... B-3

#### **Recommendation #2**

We recommend the department establish effective time approval controls for the Homeland Security grant to ensure all salaries charged to the Homeland Security grant are allowable. ....7

Department response: Concur ..... B-3

#### **Recommendation #3**

We recommend the department implement effective subrecipient monitoring controls to ensure its subrecipients comply with the federal requirements. ....8

Department response: Concur ..... B-3

#### **Recommendation #4**

We recommend the department obligate Homeland Security funds in accordance with federal requirements. ....9

Department response: Concur ..... B-3

#### **Recommendation #5**

We recommend the department implement effective controls to ensure it complies with Homeland Security cash management requirements. .... 10

Department response: Concur ..... B-3

Recommendation #6

We recommend the department implement adequate controls to ensure the department records assets on the state's accounting system in accordance with state law and policy..... 11

Department response: Concur ..... B-3

Recommendation #7

We recommend the department implement controls to ensure it complies with state law regarding search and rescue expenses. .... 12

Department response: Concur ..... B-4

Recommendation #8

We recommend the department monitor and test implementation of its internal control procedures. .... 13

Department response: Concur ..... B-4